

*Counterparts - Urban Lester*

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
918 SIXTEENTH STREET, N.W.  
SUITE 200  
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

20006-2973  
(202) 393-2266  
FAX (202) 393-2156

OF COUNSEL  
URBAN A. LESTER

December 27, 1996

19455-B  
DEC 27 1996

DEC 27 4 12 PM '96

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Partial Release of Amended and Restated Security Agreement, dated as of December 27, 1996, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Amended and Restated Security Agreement was previously filed with the Board under Recordation Number

19455-A

The names and addresses of the parties to the enclosed document are:

Secured Party: The First National Bank of Boston,  
as Agent  
100 Federal Street  
Boston, Massachusetts 02110

A description of the railroad equipment covered by the enclosed documents is set forth on Schedule A attached thereto.

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423-0001

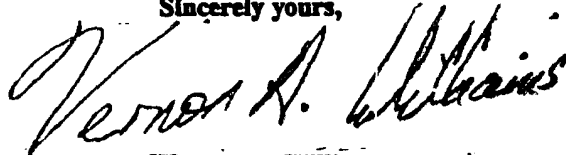
12/27/96

Robert W. Alvord  
Alvord And Alvord  
918 Sixteenth Street, NW, Ste. 200  
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/27/96 at 4:15PM, and assigned recordation number(s). 19455-B, 19457-B, 19465-B, 19468-B, 19932-A and 20052-A

Sincerely yours,

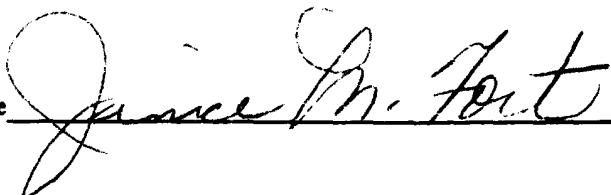


Vernon A. Williams  
Secretary

Enclosure(s)

\$ 132.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



9455-B

**PARTIAL RELEASE OF  
AMENDED AND RESTATED SECURITY AGREEMENT**

Dated as of February 8, 1996

**WHEREAS, ALLEGHENY & EASTERN RAILROAD, INC.** (the "Company") and **THE FIRST NATIONAL BANK OF BOSTON**, as agent (the "Agent") for itself and those banks (the "Banks") which are or may become parties to that certain Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 8, 1996 (the "Credit Agreement"), are parties to that certain Amended and Restated Security Agreement dated as of February 8, 1996 (the "Security Agreement"); and

**WHEREAS**, the Agent has agreed to release the lien of the Security Agreement with respect to certain Rolling Stock listed on Schedule A attached hereto;

**NOW, THEREFORE**, in consideration of the foregoing premises, the Agent hereby agrees as follows:

The lien created by the Security Agreement on the Rolling Stock listed on Schedule A attached hereto is hereby released. This Partial Release shall not affect the lien created by the Security Agreement on any Rolling Stock or other assets not listed on Schedule A attached hereto. The Agent hereby reaffirms the lien on all other Rolling Stock and assets not listed on Schedule A attached hereto. Capitalized terms which are used herein without definition and which are defined in the Security Agreement shall have the same meanings herein as in the Security Agreement.

**IN WITNESS WHEREOF**, the Agent has caused this Partial Release to be executed by its duly authorized officer as of the 27 day of December, 1996.

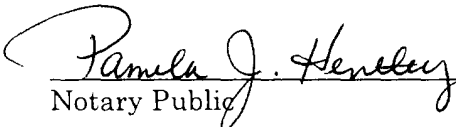
**THE FIRST NATIONAL BANK  
OF BOSTON, as Agent**

By: 

Paul G. Feloney, Vice President

Commonwealth of Massachusetts     ) ss.  
County of Suffolk                     )

On this 23rd day of December, 1996, before me personally appeared Paul G. Feloney, to me personally known, who, being by me duly sworn, says that he is Vice President of The First National Bank of Boston, and that he is duly authorized to sign the foregoing instrument on behalf of said banking association, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said banking association.

  
Notary Public

My commission expires:

PAMELA J. HENTLEY, Notary Public  
My Commission Expires June 21, 2002

Schedule A

List of Rolling Stock  
to be Released  
(Allegheny & Eastern Railroad, Inc.)

Locomotive Type:

GP40

Road. No.:

A&ERR301

A&ERR302

Schedule A

List of Rolling Stock  
to be Released  
(Allegheny & Eastern Railroad, Inc.)

Locomotive Type:

Road. No.:

GP40

A&ERR301

A&ERR302